

IRREVOCABLE LETTER OF CREDIT

For Opencut Permit

Letter of Credit No.: _____
 Date: _____
 Amount: _____
 Commencing: _____
 Expiration Date: _____
 FDIC #: _____

**TO: DEPARTMENT OF ENVIRONMENTAL QUALITY
 OPENCUT MINING PROGRAM
 1520 EAST SIXTH AVENUE
 HELENA MT 59620**

At the request of _____ (the Operator), the permittee under Opencut Permit No. _____ to conduct mining operations covering _____ acres in the _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W, in _____ County, Montana, we hereby establish our Irrevocable Letter of Credit in your favor and authorize you to draw on us from time to time in whole or in part, up to the aggregate amount of _____ (\$ _____) and we engage with you that all drafts drawn under and in compliance with the terms of this credit will be fully honored by us if presented at the bank office on or before _____ .M., Mountain time on a business day on or before _____, _____, or any extended date (the "Expiration Date"), provided:

1. This Irrevocable Letter of Credit shall be automatically extended for additional periods of one year from the present or each future Expiration Date unless we have notified you in writing, not less than thirty (30) days before such date, that we elect not to renew this Letter of Credit. Our notice of such election shall be sent by registered mail to the Department of Environmental Quality, Permitting & Compliance Division, Industrial & Energy Minerals Bureau, PO Box 200901, Helena, MT 59620-0901.

2. Any draft(s) drawn by you under this Letter of Credit shall be accompanied by your certification that either of the following alternatives (a) or (b) exist:

(a) "The Operator has failed to fully comply with all requirements of the Opencut Mining Act (Title 82, chapter 4, part 4, Montana Code Annotated), the administrative rules promulgated under the Opencut Mining Act, and Opencut Permit No. _____."; or

(b) "The Department has received the bank's notice of election not to renew this Letter of Credit and the Department has not been provided with bond(s), letter(s) of credit, undertaking(s), agreement(s) of indemnity, or other instrument(s), satisfactory to the Department as a replacement for this Letter of Credit or for any other bond or other assurances required by the Department of Environmental Quality to assure that the Operator is conducting its mining operations faithfully in accordance with the requirements of the permit, the rules and Title 82, Chapter 4, Part 4, Montana Code Annotated."

3. The Department of Environmental Quality is not required to have commenced or completed reclamation or given the Operator or us such opportunity before drawing on this Letter of Credit and we are not authorized to inquire whether such violation or failure has occurred.

For letters of credit in excess of \$25,000.00, please attach authorization of Bank under its corporate seal for officer signing this letter of credit to issue same.

4. In the event that we have provided you with the notice of election not to renew this Letter of Credit and, on or before the Expiration Date, we have not received from you a certificate confirming that the Operator has provided you with bond(s), letter(s) of credit, undertaking(s), agreement(s) of indemnity, or other instrument(s), satisfactory to you as a replacement for this Letter of Credit, we shall forward to you on the Expiration Date, a bank check for the full amount of this Letter of Credit less any amount previously drawn by you. Failure to provide the certificate required by this paragraph shall be deemed a documentary draft or a documentary demand for payment.

5. This Letter of Credit is subject to Uniform Customs and Practices for Documentary Credit (1993 Rev.), ICC Publication No. 500 and the Uniform Commercial Code of Montana, unless such customs and practices are altered herein.

6. We hereby represent and affirm that the execution of this Letter of Credit will not constitute a violation of any law or regulation which may limit the amount of credit which can be extended by this bank to any single borrower or customer.

7. Your acceptance of this Credit will constitute your agreement that we shall not be liable under this Letter of Credit for an amount greater, in the aggregate, than the sum designated in the first paragraph hereof, and shall not be liable as respects any obligation related to mining operations performed after the expiration of thirty (30) days from the date of the mailing by us of a notice not to renew this Letter of Credit.

Very truly yours,

_____	_____
(Bank)	(Address)
BY: _____	_____
	(City, State, Zip)
Its _____	_____
(Title)	(Phone Number)

ACKNOWLEDGEMENT

State of _____)
County of _____) s.s.

On this _____ day of _____, in the year _____, before me, a Notary Public for the State of _____, personally appeared _____, known to me to be the person who executed this letter of credit on behalf of the corporation therein named and acknowledged to me that such corporation executed the same.

(SEAL)

Notary Public for the State of _____
Residing at _____
My Commission expires _____

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For Department of Environmental Quality Use

LETTER OF CREDIT ACCEPTANCE

Pursuant to 82-4-433, MCA, I hereby accept Irrevocable Letter of Credit No. _____

of the _____, as bond for Opencut Permit No. ____
(Bank Name)

_____, submitted by _____,
(Operator)

of _____.
(Address, City, State, Zip)

Industrial & Energy Minerals Bureau
Permitting & Compliance Division
Department of Environmental Quality

_____, _____
(Date)

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